

Trends in adoptions from foster care in the wake of child welfare reforms

ANALYSIS NO. 4, February 3, 2011

Number of Children Adopted from Foster Care Increases in 2009

By Kerry DeVooght, Karin Malm, Sharon Vandivere, & Marci McCoy-Roth

Washington, D.C. – When a child in foster care cannot be reunified safely with his or her family, adoption often offers the best option for a safe and permanent family. The ongoing attention by federal and state policy makers on the need for children in foster care to have permanent families has led to the passage of laws that promote foster care adoptions.

This brief focuses primarily on trends in adoptions from foster care following the passage of two significant child welfare pieces of legislation, the Adoption and Safe Families Act of 1997 (ASFA) and the Fostering Connections to Success and Increasing Adoptions Act of 2008 (FCA). In particular, the brief provides a detailed examination of the trends in adoptions from foster care since the passage of ASFA, and offers a discussion of new policies enacted more recently by the FCA that support and incentivize adoptions from foster care, particularly adoptions of older youth and those who have spent lengthier times in foster care.

ASFA and Background on Adoptions from Foster Care

The Adoption and Safe Families Act (ASFA) was enacted in 1997 in response to growing concerns about the length of time children were waiting in foster care for permanent families. As such, lawmakers intended for ASFA to promote adoption and other permanent arrangements for children in foster care. Reforms included new judicial time limits to govern decision-making on foster care cases and move children to permanency in a more timely way. ASFA also created the Adoption Incentive Program to reward states for increasing the number of children adopted from foster care. Additionally, the law changed the Family Preservation and Family Support Services Program to the Promoting Safe and Stable Families Program (PSSF), and authorized PSSF funds for two new types of services: (1) time-limited reunification and (2) adoption promotion and support services. Congress enacted ASFA with overwhelming support, and has subsequently reauthorized the Adoption Incentive and PSSF Programs.

Adoptions Increase, but Thousands Still Wait

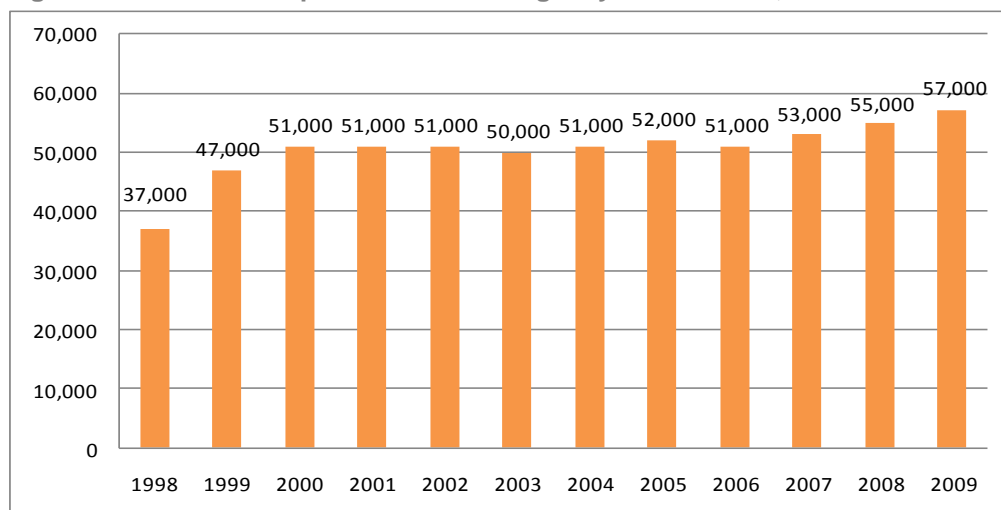
Immediately following the enactment of ASFA, the number of children adopted through the public foster care system rose sharply, reaching 51,000 adoptions in 2000,¹ a 65 percent increase over the number of adoptions reported in 1997 (approximately 31,000).² Over the next several years, foster care adoptions remained fairly stable, with between 50,000 and 53,000 children adopted with public agency involvement each year. However, 2008 and 2009 saw increases in the annual adoption numbers to 55,000 and then to 57,000,

¹ Unless otherwise noted, adoption and foster care statistics throughout this brief are from the Adoption and Foster Care Analysis and Reporting System (AFCARS), a federal data collection system administered by the U.S. Department of Health and Human Services. Years using AFCARS data represent federal fiscal years (FFY), which run from October 1 through Sept 30th.

² 1997 statistic gathered from "Adoptions of Children with Public Child Welfare Agency Involvement by State FY 1995-FY 2006," (Children's Bureau, 2008b)

respectively. Figure 1 below depicts the number of adoptions reported each year between 1998 and 2009.

Figure 1 - Children Adopted With Public Agency Involvement, 1998-2009



Source: 1998-2001 data from “The AFCARS Report #12: Final Estimates for FY 1998 through FY 2002” (Children’s Bureau, 2006c); 2002-2009 data from “Trends in Foster Care and Adoption—FY 2002-FY 2009” (Children’s Bureau, 2010b).

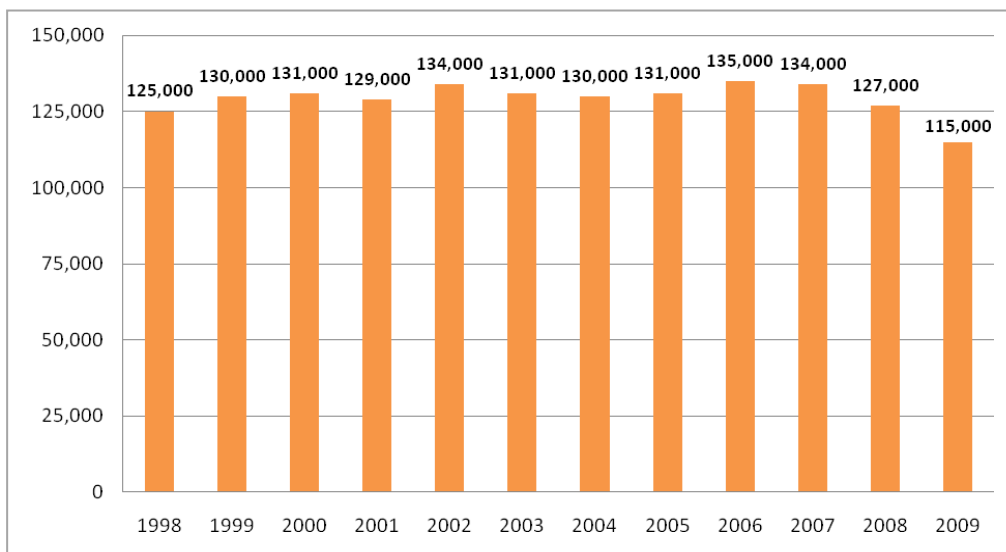
Despite the sizeable increase in the number of foster care adoptions soon after ASFA’s passage and the recent upticks in annual adoptions, the number of children waiting to be adopted³ has far exceeded the number of finalized adoptions each year. The number of waiting children at the end of each year between 1999 and 2007 has hovered around 131,000, fluctuating by several thousand from year to year.^{4,5} After a peak at 135,000 in 2006, however, the number of children waiting to be adopted declined to nearly 115,000 in 2009. (See Figure 2.)

³ “Trends in Foster Care and Adoption—FY 2002-FY 2009” (Children’s Bureau, 2010b) notes “There is no Federal definition for children waiting to be adopted. For the purposes of this analysis, children waiting to be adopted include children with a goal of adoption and/or whose parental rights have been terminated. The “waiting” population excludes children whose parents’ rights have been terminated, who are 16 years old and older, and who have a goal of emancipation.”

⁴ Waiting children comprised between 22 and 28 percent of all children in foster care on the last day of the fiscal year, between 1998 and 2009.

⁵ Data for FY2002-FY2008 on total waiting children, adopted children, and children in foster care come from “Trends in Foster Care and Adoption—FY 2002-FY 2009” (Children’s Bureau, 2010b), while population-specific data for each year are taken from the AFCARS reports for the particular year. Please see reference list for citations.

Figure 2 - Children Waiting for Adoption, 1998-2009 (on last day of fiscal year)



Source: 1998-2001 data from “The AFCARS Report #12: Final Estimates for FY 1998 through FY 2002” (Children’s Bureau, 2006c); 2002-2009 data from “Trends in Foster Care and Adoption—FY 2002-FY 2009” (Children’s Bureau, 2010b).

It is too early to determine whether the recent increase in total adoptions and the recent decline in the number of waiting children reflect changing trends with this population. As illustrated by Figures 1 and 2, both statistics have fluctuated moderately over the past 12 years. Subsequent releases of new AFCARS data for later years, and states’ possible revisions of data from recent years, should illuminate whether recent data represent continued fluctuation or the beginning of a new trend.

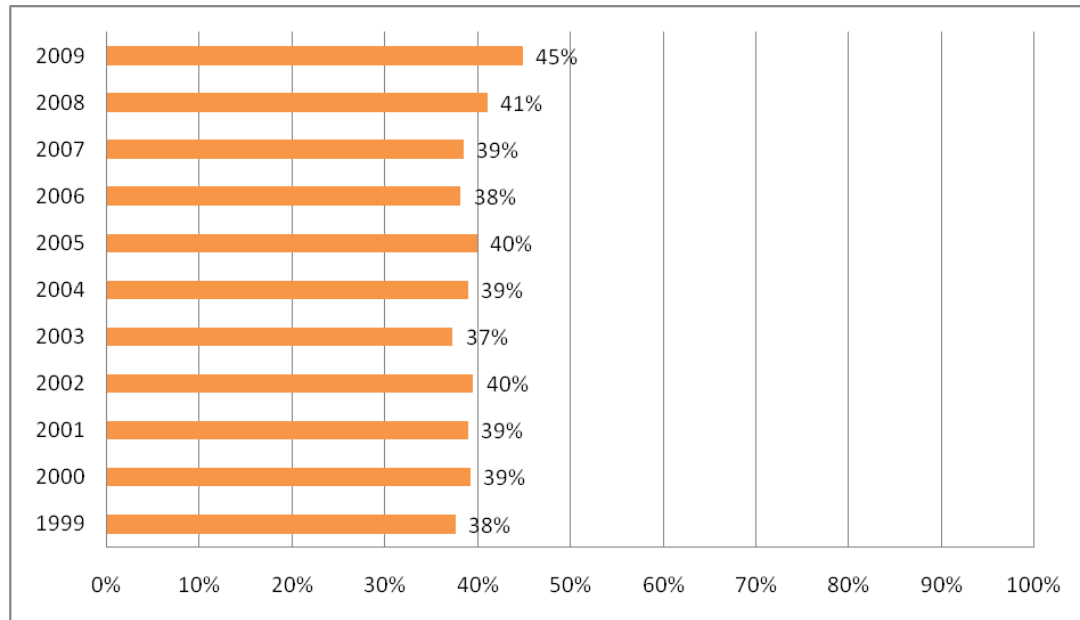
Until recently, evidence suggested that the likelihood that a waiting child would be adopted had not increased over time, despite the reduction in the numbers of waiting children and the increase in the numbers of adoptions. As illustrated by Figure 3, until 2008, the percentage of waiting children in a given year who were adopted in the subsequent year (e.g., the number of children adopted during FY 2006 divided by all children waiting for adoption on the last day of FY 2005) ranged between 37 and 40 percent. In other words, approximately 2 out of 5 waiting children were adopted in the subsequent year.⁶ However, in the past two years, this figure has risen slightly—to 41 percent in 2008 and to 45 percent in 2009. Despite this promising increase, data continue to suggest that fewer than half of all children waiting for adoption in a given year will be adopted the following year.

More information is needed to explain this wide variation which, in all likelihood, is affected by a number of factors. For example, states that have focused their efforts on reducing lengths of stay for younger children entering foster care may have higher percentages of older youth aging out of care. Similarly, states that invest in services for older youth in care and allow them to stay in foster care longer may have more older youth who remain in care past age 18. Some experts argue that some states may not emphasize permanency for older youth because of the perception that youth receive more services when they remain in foster care. In addition, the rate at which older youth enter foster care varies significantly across the states. As a result, in analyzing a state’s aging out numbers, there are other contextual variables that also must be considered.

⁶ This calculation represents a useful estimate of the likelihood of adoption in a subsequent year, but has limitations. Some children who are adopted during a fiscal year do not become a “waiting child” until that same fiscal year, and therefore are not captured in the previous fiscal year’s “waiting children” number. Also, the statistic does not speak to any individual child’s likelihood of ever being adopted, as it only compares annual adoptions to the previous year’s number of waiting children.

FosteringConnections.org provides child welfare information and resources to help states and tribes implement the Fostering Connections to Success and Increasing Adoptions Act of 2008.

Figure 3 - Percent of Waiting Children Adopted, 1999 - 2009

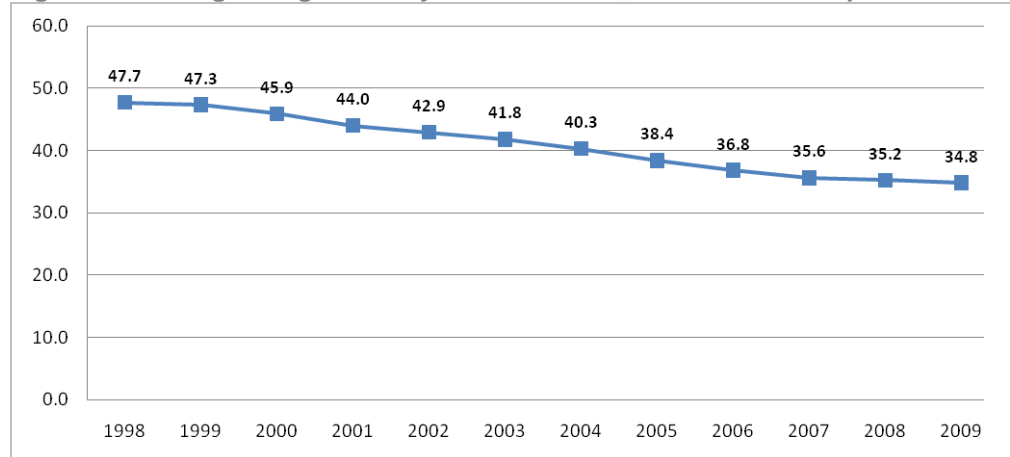


Source: 1998-2001 data from “The AFCARS Report #12: Final Estimates for FY 1998 through FY 2002” (Children’s Bureau, 2006c); 2002-2009 data from “Trends in Foster Care and Adoption—FY 2002-FY 2009” (Children’s Bureau, 2010b).

Average Time to Adoption Decreases, Lengthy Foster Care Stays Persist for Some

The average time adopted children spent in foster care (for the most recent episode of removal) has decreased since the enactment of ASFA, but data show that many children still wait years to be adopted. For children adopted, the mean length of stay in foster care from the time a child is removed⁷ gradually declined between 1998 and 2009, decreasing more than a year, from nearly 48 months for children adopted in 1998, to approximately 35 months for children adopted in 2009. (See Figure 4.)⁸

Figure 4 - Average Length of Stay in Foster Care, for Children Adopted in 1998-2009



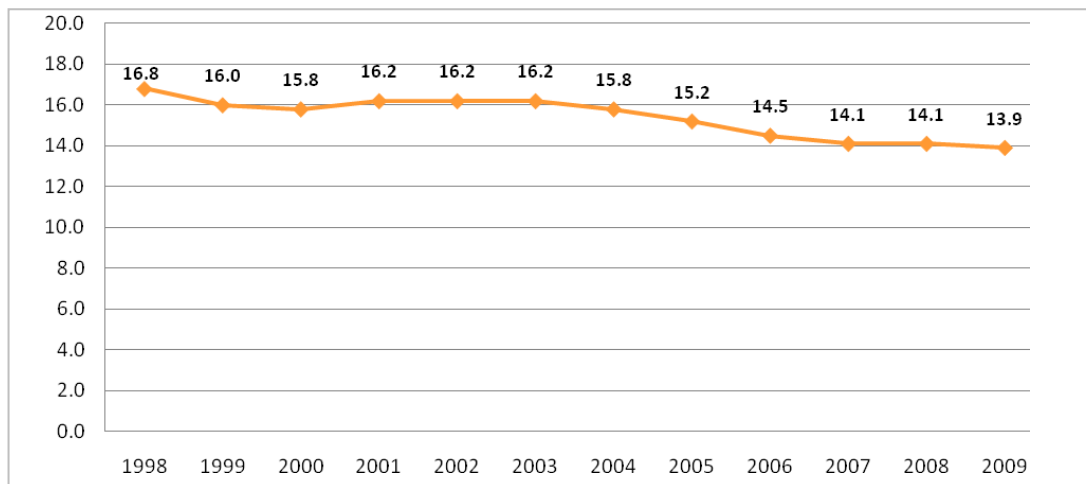
Source: AFCARS data prepared by the National Data Archive on Child Abuse and Neglect, Family Life Development Center, College of Human Ecology, Cornell University.

⁷ Length of stay in foster care until adoption is the most recent episode. If a child has multiple foster care episodes before they are adopted, only the time spent in the last episode prior to the adoption is counted for this statistic. Therefore, this statistic does not capture total time ever spent in foster care for children who were discharged and later re-entered.

⁸ Data on average time in foster care from removal to adoption was obtained from the National Data Archive on Child Abuse and Neglect, Family Life Development Center, College of Human Ecology, Cornell University.

Time to adoption following termination of parents' rights (TPR) has also declined since implementation of ASFA's judicial timelines for permanency. For foster children who were adopted in 2009, the average time a child spent waiting for adoption after TPR (approximately 14 months) was 17 percent lower than the average wait time of children adopted in 1998 (nearly 17 months) (as illustrated in Figure 5 below).

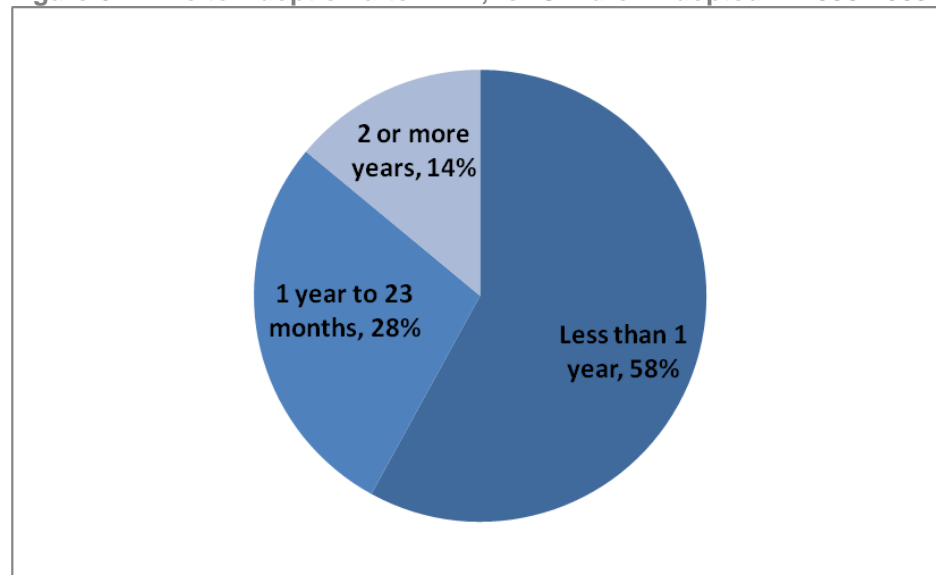
Figure 5 – Average Time to Adoption after TPR, for Children Adopted in 1998-2009



Source: The AFCARS Report, #s 10-17, (Children's Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

Despite the decrease over the past decade in average time from TPR to adoption, a substantial share of children still have lengthy foster care stays. As shown in Figure 4 above, a child adopted from foster care in 2009 spent nearly three years, on average, in care before the adoption was finalized. In 2009, nearly 8,000 children (14% of all children adopted that year) waited two or more years after their parents' rights were terminated for their adoption to be finalized, and nearly 16,000 children (28%) waited between one and two years. (See Figure 6.)

Figure 6 - Time to Adoption after TPR, for Children Adopted in 1998-2009



Source: The AFCARS Report #17: Preliminary FY 2009 Estimates as of July 2010. (Children's Bureau, 2006c)

As illustrated by the figures above, the average time an adopted child spends in foster care after removal and after TPR has decreased over the past decade—suggesting that post-

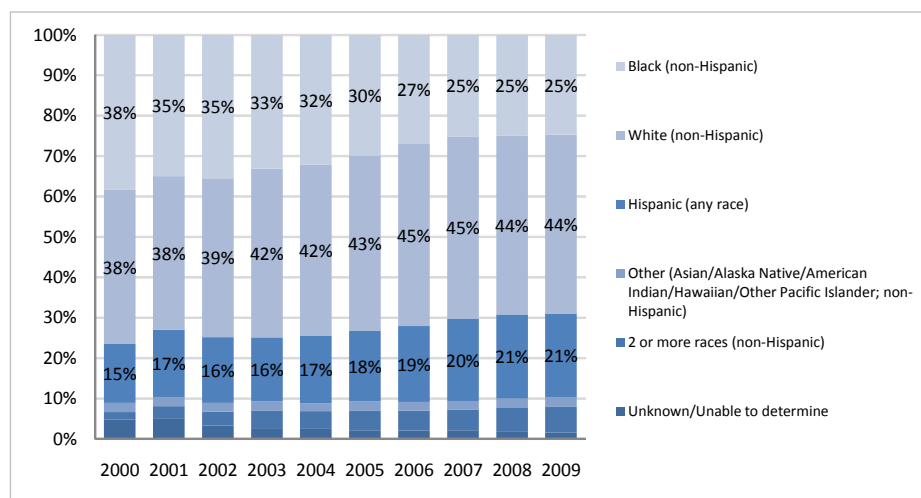
ASFA, children have been moved into permanent families more quickly than before ASFA. Still, while the averages show a promising trend, thousands of children continue to wait in foster care for permanent families for lengthy periods.

Black Children Comprise A Declining Proportion of all Adopted Children since ASFA; Less Likely to be Adopted than White and Hispanic Children

The racial and ethnic distributions of waiting and adopted children have also changed since the enactment of ASFA. Since the law's passage, the percentages both of waiting and adopted children who are Black have declined. The data also reveal a persistent disproportionality for Black children, such that the likelihood of adoption in the following year among Black children waiting for adoption in a particular year has remained consistently lower than the likelihood for White and Hispanic children.

Over the last decade, the proportion of adopted children who are White and Hispanic increased, while the proportion who are Black decreased. As shown in Figure 7, White children represented 44 percent of all children adopted in 2009, Black children 25 percent, and Hispanic children 21 percent. This is a notable change from 2000, when Black and White children comprised equal proportions of all adopted children—38 percent each—and Hispanic children comprised 15 percent. Figure 7 illustrates that as the percentages of all adopted children who are White and Hispanic increased between 2000 and 2007, the percentage who are Black steadily decreased over this time period.

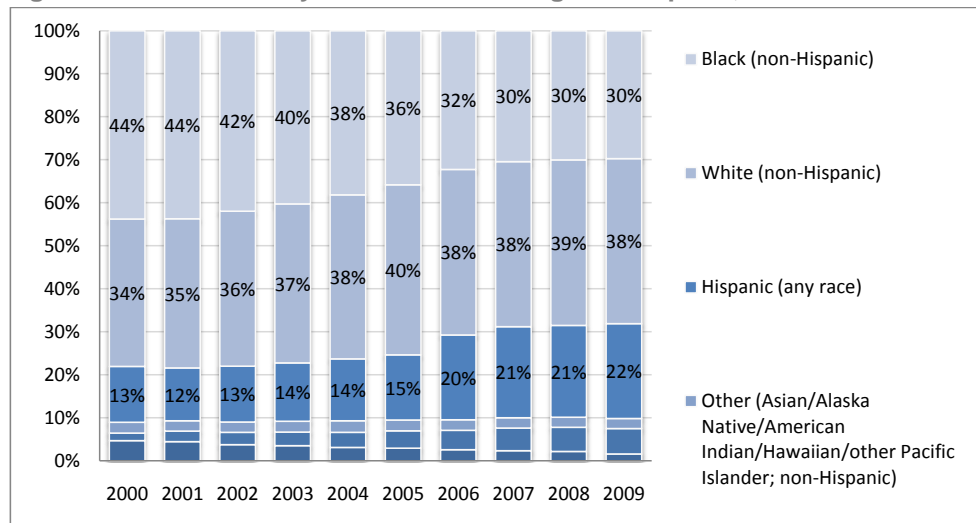
Figure 7. Race/Ethnicity of Adopted Children, 2000-2009



Source: The AFCARS Report, #s 10-17, (Children's Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

It is essential to view these data in light of the racial/ethnic composition of the overall population of children in foster care, and of children waiting for adoption each year. The proportion of all children in foster care who are Black has declined over the decade, representing 39% of all children in foster care in 2000, and 30% in 2009. Accordingly, the shares of children in care who are White and Hispanic have increased during that time. Figure 8 shows that the proportion of Black children as a share of all waiting children has also decreased over time, and that of White and Hispanic children has increased.

Figure 8. Race/Ethnicity of Children Waiting for Adoption, 2000 -2009

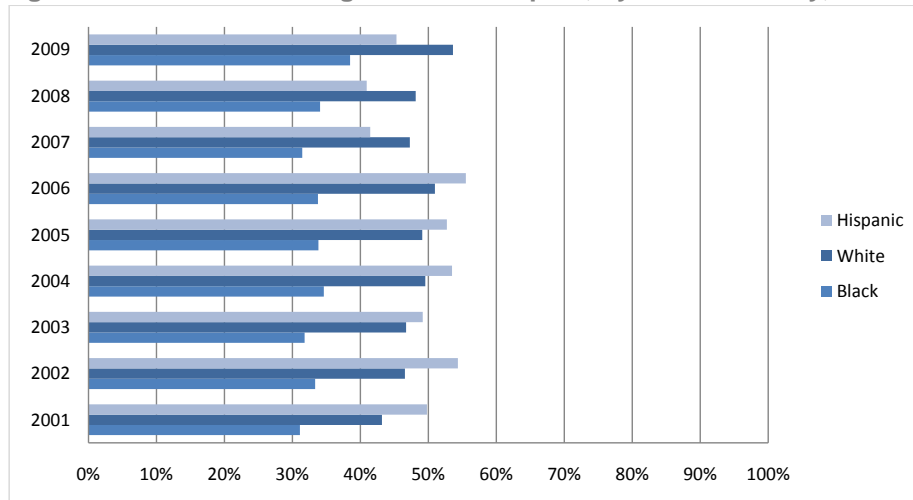


Source: The AFCARS Report, #s 10-17, (Children's Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

However, while data indicate that the shares of both children in foster care and children waiting for adoption who are Black have decreased since 2000 (which would support an accompanying decrease in the share of adopted children who are Black), Black waiting children have consistently been adopted at disproportionately lower rates than their Hispanic and White peers. In other words, each year between 2000 and 2009, the share of adopted children in a given year who are Black has been between 5 and 9 percentage points lower than the share of children waiting for adoption who are Black (e.g., Black children comprised 30% of children waiting to be adopted in 2009, but only 25% of children adopted that year). Conversely, the share of adopted children who are White each year between 2000 and 2009 has been between 3 and 7 percentage points higher than the share of waiting children who are White (e.g., White children comprised 38% of children waiting to be adopted in 2009, but 44% of children adopted the following year).

Further, over the past decade, the likelihood of waiting children in a given year who are Black being adopted in the subsequent year has remained lower than the likelihood for White or Hispanic children. Figure 9 displays data separately by children's race and Hispanic origin, depicting the percentage of waiting children in a given year who are adopted in the subsequent year (similar to the data depicted earlier in Figure 3) to approximate the likelihood of a waiting child from each group being adopted in the following year.

Figure 9. Percent of Waiting Children Adopted, by Race/Ethnicity, 2001-2009



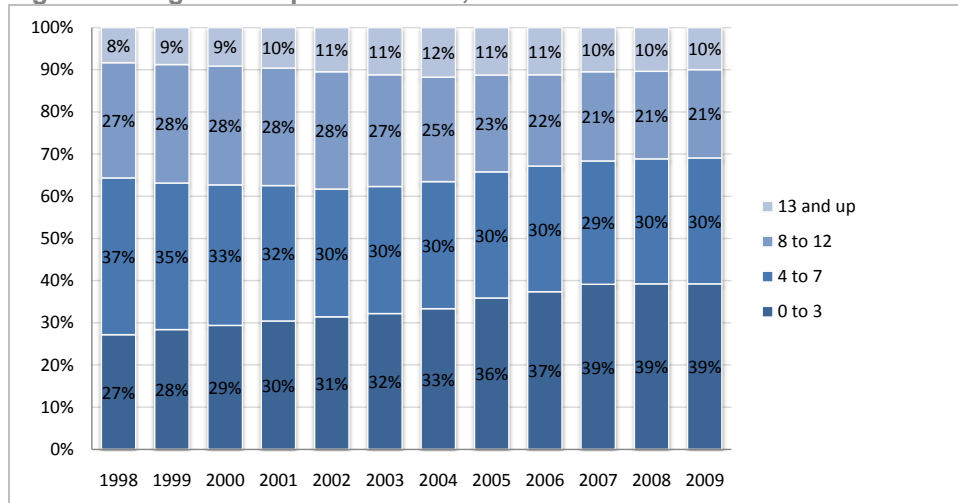
Source: The AFCARS Report, #s 10-17, (Children’s Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

Note: To compute the data shown above, the number of foster children adopted in a given year was divided by the number of children waiting for adoption on the last day of the previous fiscal year. The calculation is a useful estimate but have some limitations. Some children who are adopted during a fiscal year do not become a “waiting child” until that same fiscal year, and therefore are not captured in the previous fiscal year’s “waiting children” number.

Older Children Less Likely to be Adopted than Younger Children

The proportion of children adopted each year who are under 4 years old has increased since the passage of ASFA, from a low of 27 percent of all adoptions in 1998 to 39 percent in 2007, where it remained in 2008 and 2009. Conversely, the share of adoptions of 4- to 12-year-olds has declined over time. While 4- to 12-year-olds comprised nearly two-thirds of all adoptions in 1998 (64%) the share dropped to approximately half (51%) in 2009. Meanwhile, the percentage of adopted children who are over age 13 increased slightly, from 8 to 10 percent (with a peak of 12% of all adopted children in 2004). (See Figure 10.)

Figure 10. Age of Adopted Children, 1998-2009

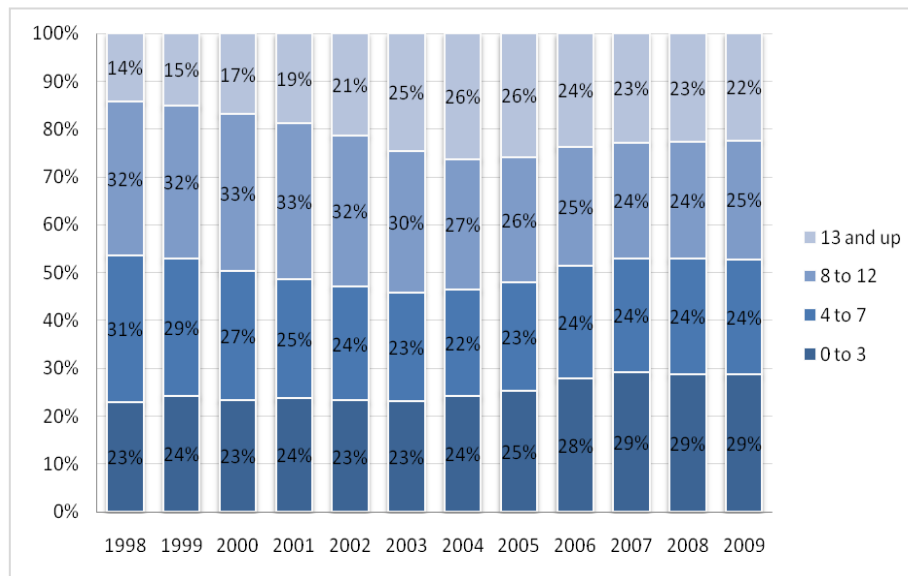


Source: The AFCARS Report, #s 10-17, (Children’s Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

While the overall trend for children age 8 and older since 2002 shows that they represent a decreasing share of all adoptions, it is important to note that the number of children aged 8 and older adopted each year since 1998 has increased. Nevertheless, the growth in

adoptions for younger children has outpaced that of older children. Over the last decade, the number of children under 8 years old adopted from foster care increased 67 percent (from nearly 24,000 adoptions in 1998 to almost 40,000 in 2009), while over the same time period, adoptions for children 8 and older increased 35 percent (from approximately 13,000 adoptions in 1998 to nearly 18,000 in 2009).

Figure 11. Age of Children Waiting for Adoption, 1998-2009 (on last day of fiscal year)



Source: The AFCARS Report, #s 10-17, (Children's Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

Note: 2003 and 2004 AFCARS Reports (Children's Bureau, 2006a and 2006b) include data on waiting children aged 18, 19, and 20, while AFCARS reports for other years stop at age 17.

Furthermore, children aged 8 and up are consistently adopted at lower rates than their younger counterparts. Figure 11 depicts the proportions of children waiting for adoption, by age group, each year between 1998 and 2009. Although children aged 8 and up represented 31 percent of adoptions in 2009, they comprised 47 percent of waiting children on the last day of the year. That same year, younger children (aged 7 and under) represented 69 percent of adoptions, but just over half (53%) of children waiting to be adopted.

A brief by Penelope Maza (2009) argues that a waiting child's age is the most crucial characteristic affecting his or her likelihood of being adopted, and finds little evidence that ASFA has increased adoptions for older children. Maza's analyses of AFCARS data indicate that a critical tipping point occurs between 8 and 9 years of age, after which a child is more likely to continue to wait than to be adopted. Maza (2009) highlights a troubling trend for older children, with the gap between the percentages of children 9 and older awaiting adoption and having finalized adoptions increasing since ASFA's passage. In 1998, children 9 and older comprised 39 percent of all waiting children and 28 percent of all adopted children (a gap of 11 percentage points). In 2006, the gap had increased, with children ages 9 and older comprising 44 percent of all waiting children but only 28 percent of all adopted children (a gap of 16 percentage points).⁹

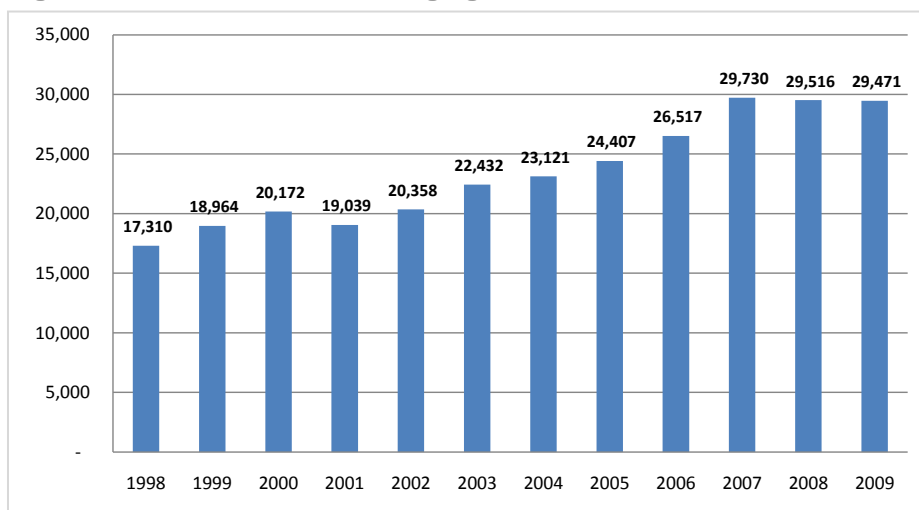
⁹ Another correlate to a child's likelihood of being adopted appears to be the age at which a child enters foster care. Between 2000 and 2006, approximately 90% of adopted children in each year entered foster care at age 8 or younger (U.S. Congress, 2008).

Despite serious challenges with finding permanent homes for older children through adoption, the news for these youth may not be all bad. The data may also be consistent with increased efforts to achieve permanency for older children. Concurrent with the persistent and growing gap between older and younger waiting children in the likelihood of achieving adoption, both the share and the number of children aged 13 and older waiting for adoption have increased since 1998. These youth represented 14 percent of waiting children in 1998 (nearly 18,000 children), but 22% in 2009 (more than 25,500 children). An increasing recognition by child welfare professionals and the general public of older children as “adoptable” could result in adoption increasingly being made a goal for older children. However, AFCARS data continue to indicate that the percentage of all foster children with goals of emancipation and long-term foster care have remained stagnant over the last decade. Furthermore, the percentage of children exiting foster care each year to emancipation rather than to permanency has increased from 7 percent in 1998 to 11 percent in 2009 (as we discuss in greater detail below).

Number of Older Youth Aging out of Foster Care Increases over the Last Decade

At the same time that data for older children indicate that they are less likely than younger children to be adopted, the numbers of older youth aging out of foster care without having been placed with a safe, permanent family either through adoption, reunification, or guardianship, have continued to rise. In 1998, approximately 17,300 youth emancipated from care, compared with more than 29,000 in 2009 (a 70% increase). Figure 12 displays the number of children aging out of foster care each year between 1998 and 2009. In addition, as noted above, the share of all foster care exits that were emancipations increased during that time, from 7 percent of all exits in 1998 to 11 percent in 2009.

Figure 12. Number of Children Aging out of Foster Care, 1998-2009



Source: The AFCARS Report, #s 10-17, (Children’s Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

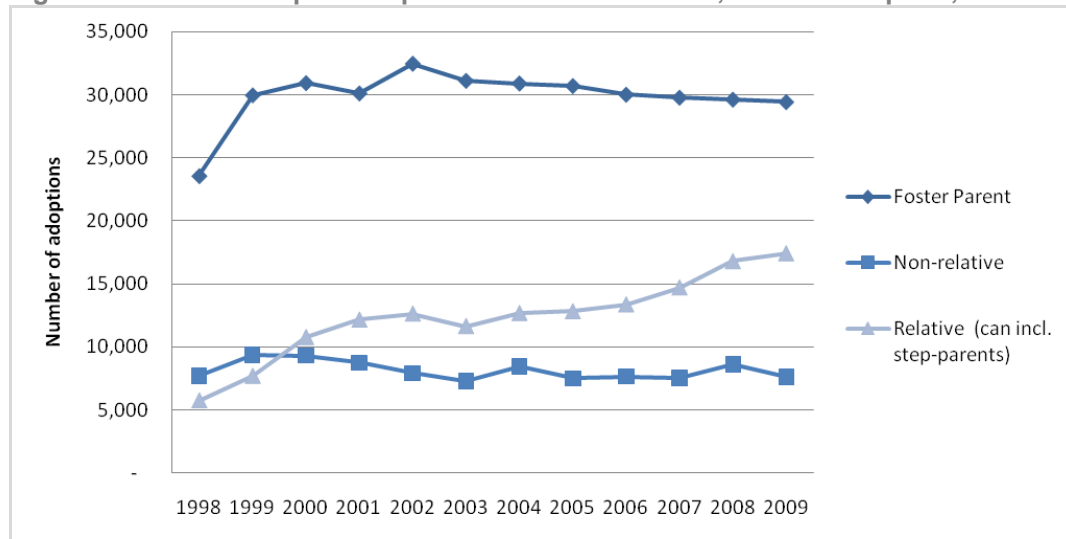
The prevalence of negative outcomes for youth aging out of foster care underscores the importance of achieving permanency for this population before they reach the age of emancipation. Research consistently illustrates an elevated likelihood of negative outcomes for youth who age out of care, with evidence that they lag far behind their peers in the areas of education, housing, health, and employment (summarized in McCoy-Roth, Freundlich, & Ross, 2010). Although ASFA promoted permanence for foster youth, it did not focus specifically on the population of older children needing permanence. In fact, as Maza (2009) found, the prospects for children 9 and older to be adopted from foster care have seemed to worsen after ASFA’s enactment. In response to permanency challenges faced by older

youth, federal legislation post-ASFA has directly targeted initiatives aimed at increasing adoptions for this population. Specifically, amendments made by Congress in 2003 to the Adoption Incentive Program incorporated a new reward category for states that increase the number of older children adopted from foster care each year. Later in this brief, we will discuss more recent amendments to the Adoption Incentive Program that are designed to further incentivize states for finding permanent homes for waiting children and youth.

Number and Share of Adoptions by Relatives Increase since ASFA

The vast majority of post-ASFA foster care adoptions have been by the children's foster parents or relatives, with around 20 percent or fewer adoptions each year by persons with whom the child had no prior relationship. As Figure 13 illustrates, shortly after ASFA's passage, a sharp rise in foster parent adoptions occurred: a 27% increase (more than 6,300 adoptions) between 1998 and 1999. The number of foster parent adoptions has remained relatively stable each year since 1999, however, typically hovering around 30,000. Since 2002, the number of foster parent adoptions has slightly, but consistently, declined each year. Adoptions by parents who are not related to a child nor are the child's foster parents (labeled as "non-relatives" in Figure 13) have also remained relatively stable over the past decade, ranging between 7,000 and 9,500 each year. However, the number of foster children adopted by relatives has more than tripled between 1998 and 2009 (from approximately 5,750 adoptions to over 17,400 adoptions).

Figure 13. Relationship of Adoptive Parents to Children, Prior to Adoption, 1998-2009



Source: The AFCARS Report, #s 10-17, (Children's Bureau, 2006a, 2006b, 2006c, 2006d, 2008a, 2009a, 2009b, 2010a)

Although the marked increase in the number of adoptions by children's relatives likely represents a positive trend, indicating more foster children are achieving legal permanence with their own family members, the lack of growth in the number of adoptions by foster parents and those with no previous connection to the child suggests possible ongoing challenges with adoptive parent recruitment. Given the high number of children waiting for adoption each year, and the relative stability (and even slight decline) in annual foster parent adoptions, adoptive parent recruitment from the general population continues to be a necessary priority for child welfare agencies.

Some research suggests that while interest in adoption among the general population is common, following through to adoption is not. Data from the 2002 National Survey of Family Growth (NSFG) indicate that over 18 million women ages 18 to 44 have considered adoption. Of these 18 million women, only 14 percent (2.6 million) had taken steps to adopt

a child (Jones, 2008). Recent studies on the retention of families who inquire about adoption document that only a small fraction of inquirers take steps to adopt foster children. For example, an analysis of data from Georgia's adoption hotline determined that only 1 out of 200 inquirers finalized an adoption from foster care (Geen and Malm, 2005). Further, Wilson, Katz, and Geen (2005) found that the high level of attrition of prospective adoptive parents between initial contact with the agency and eventual adoption may be connected to the agency's handling of the initial inquiry from potential parents. These studies, along with the data summarized in Figure 13, suggest that successfully recruiting and retaining potential adoptive parents who are not already connected to the child continues to be a challenge.

Fostering Connections to Success and Increasing Adoptions Act of 2008

As the trends described above illustrate, some positive developments with respect to adoptions of children from foster care have occurred since the passage of ASFA. These include a reduction in the average time to adoption after a child is removed from a parent's custody and after parental rights are terminated. However, the data also show ongoing challenges in achieving permanence for older youth in foster care, and racial and ethnic disparities in adoption persist, indicating a need for attention on expediently finding safe and permanent families for all waiting children. The racial and ethnic disparities in foster care adoptions were recognized and targeted by federal policymakers even prior to ASFA's passage, as evidenced the Multi-Ethnic Placement Act (MEPA), passed by Congress in 1994 (and amended in 1996), which sought to reduce barriers to permanent placements for minority children and youth. However, the data presented here indicate that neither MEPA's goal to specifically address racial and ethnic disparities nor ASFA's subsequent emphasis on achieving timely permanency for all foster children have been effective in reducing these disparities, particularly for Black children.

The Fostering Connections to Success and Increasing Adoptions Act of 2008 included several provisions to promote adoption for children in foster care, particularly for older children, those who have been waiting the longest, and children with special needs. Specifically, the Fostering Connections Act made three significant policy changes: (1) de-linking a child's eligibility for federal Title IV-E Adoption Assistance from 1996 Aid to Families with Dependent Children (AFDC) eligibility criteria, which will provide more children with federal assistance; (2) extending and expanding the Adoption Incentive Program, which rewards states financially for increasing the number of adoptions over a baseline; and (3) requiring states to inform prospective adoptive parents of the federal adoption tax credit available to them for adopting children with special needs.

Encouraging Adoptions through De-linking Adoption Assistance Payments from Aid to Families with Dependent Children (AFDC)

Successfully parenting children adopted from foster care frequently requires a variety of post-adoption supports. The majority of adoptive families receive at least some supports, including monthly adoption assistance payments. Almost all foster children adopted in FY 2009 (88 percent of children adopted with public agency involvement) receive an adoption subsidy (monthly adoption assistance amounts can vary widely). Nevertheless, a notable share of children adopted from foster care continue to have unmet needs. For example, NSAP data indicate that 35 percent of children adopted from foster care have a parent who reported lacking some needed adoption-related support, such as child or parent support groups or a discussion with someone at the agency about post-adoption support (Vandivere, Malm, & Radel, 2009).

Adoption assistance payments are provided to families on behalf of children adopted from foster care who have “special needs,” a term which varies by state, but generally refers to a child who may require additional financial assistance or resources to be adopted, due to characteristics which can include age, membership in a sibling group, racial/ethnic minority status, or a particular medical or behavioral health diagnosis. Federal adoption assistance payments were first enacted under the Adoption Assistance and Child Welfare Act of 1980 and are allowable Title IV-E reimbursable costs for eligible children. Children who do not qualify for federal adoption assistance may receive adoption assistance supported by state and/or local funds.

Effective upon passage in October 2008, the Fostering Connections Act de-links the eligibility determination for federal reimbursement of adoption assistance payments from the 1996 AFDC income level requirements. This eases the financial burden on states by allowing Title IV-E reimbursement of adoption assistance payments for a greater portion of families who adopt foster children with special needs. The de-link is being phased in, and began on October 1, 2009 (the start of FY 2010) with children aged 16 and older, children who have been in foster care for five years, and siblings of children from either group. The age requirement will decrease by two years with each subsequent fiscal year (e.g., children aged 14 and older became eligible on October 1, 2010), with the phase-in completing in FY 2018. The legislation also requires that any savings resulting from the new eligibility rules must be invested in services (including post-adoption services) provided under Parts B and E of Title IV.¹⁰

For foster parents interested in adopting, a lack of adoption assistance payments may be a disincentive to adopt. If the adoption assistance payment is less than the foster care maintenance payment, or in the absence of any monthly assistance, the child would lose the payment level that had been provided during their time in foster care following an adoption. According to the 2007 National Survey of Adoptive Parents (NSAP), 12 percent of children adopted from foster care who currently receive a subsidy have a parent who reported they likely would not have adopted the child in the absence of the subsidy (based on Child Trends’ tabulations of NSAP data). Recent findings on the effect of the size of adoption subsidies on rates of adoption have been inconsistent. One study found no relationship (Dalberth, Gibbs, Berkman, 2005), whereas another study showed that a 1 percent increase in subsidy payments corresponded with a 1.5 percent increase in the number of adoptions per 100,000 persons (Hansen and Hansen, 2006). The few studies that have addressed the effect of adoption assistance on the success of adoptions have found a positive effect on adoption stability (Barth, 1993; Sedlak, 1991).

Encouraging Adoptions through the Adoption Incentive Program

In 1996, President Clinton directed the U.S. Department of Health and Human Services (HHS) to develop specific recommendations for strategies to achieve permanency more quickly for children in out-of-home care and to double the number of adoptions of children from out-of-home care. In response, HHS recommended that states be rewarded financially each year for increasing finalized adoptions over a baseline number of adoptions within that state (U.S. Department of Health and Human Services, 1997).

The Adoption Incentive Program, implemented under ASFA and patterned after the HHS recommendations, authorized the federal government to provide payments to states that increase the number of children adopted from foster care. The number of adoptions did

¹⁰ The eligibility determination for the Title IV-E *foster care program*, however, remains tied to the 1996 income standard for determining whether a child is eligible for federal assistance.

FosteringConnections.org provides child welfare information and resources to help states and tribes implement the Fostering Connections to Success and Increasing Adoptions Act of 2008.

increase in the years immediately following the program's implementation, although many experts believe the increases represented continuing trends that had begun in the preceding years. In addition to the increase in adoptions and to fulfill an additional requirement to receive incentives, states also enhanced their efforts toward the collection and verification of data (Maza, 2000).

In December 2003, the Adoption Promotion Act of 2003 (H.R. 3182) extended the Adoption Incentive Program another five years and focused greater attention on finding adoptive families for older children in foster care. The 2003 Act included a targeted bonus for states successful in increasing the number of older children (age 9 and up) adopted from foster care, as well as continuing to recognize overall progress in increasing adoptions from foster care.

The Fostering Connections to Success and Increasing Adoption Act extends the Adoption Incentive Program for five years, revises the baseline for determination of incentive payments, and increases the level of the incentive payments. States may also receive additional payments if their adoption rate exceeds the highest since 2002. The Act defines the adoption rate as the number of foster care adoptions finalized during the fiscal year divided by the number of children in foster care on the last day of the preceding fiscal year; however, this methodology does not take into account other permanency outcomes. In September 2010, HHS awarded \$39 million to 38 states and Puerto Rico through the Adoption Incentives program for increases in 2009 adoptions.

Encouraging Adoptions through the Adoption Tax Credit

In 1996, Congress enacted legislation to promote adoption through the provision of a non-refundable tax credit based on documented qualified adoption expenses. A 2003 amendment removed the requirement that parents who adopted U.S. children with special needs had to document expenses, facilitating access to the credit for families who adopt from foster care (where upfront expenses are minimal). In all, between 1999 and 2004, claims on behalf of children with special needs rose 138 percent and dollars spent increased by 613 percent (NACAC, 2007).

In spite of the increases, recent research suggests that the tax credit is not being widely used by families adopting from foster care. Between 1999 and 2004, more than 82 percent of the total tax credit dollars supported families adopting privately or internationally. Fewer than one in four families adopting foster children claimed the tax credit in 2004 (Geen, 2007). State-level data from the U.S. Department of Health and Human Services show large variation across the states in the percentage of foster care adoptions for which adoption tax credit benefits were claimed (Geen, 2007).

Anecdotal evidence suggests that child welfare workers are not well informed about the tax credit so are unlikely to provide accurate information to adoptive parent applicants (Geen, 2009). The Fostering Connections to Success and Increasing Adoptions Act of 2008 requires states to inform any prospective adopters about the federal adoption tax credit. The law's requirement is designed to ensure that the original intent of the tax credit is more fully executed, and to make the credit benefit more families who adopt foster children. To achieve the goal, states will need to publicize the credit for U.S. foster care adoptive parents and prospective adoptive applicants—foster parents, relatives, and others who may consider adopting children from foster care. Further, the federal adoption tax credit is now refundable, based on a provision in the 2010 health care reform bill, and can benefit more families adopting from foster care who may have a lower tax liability.

Summary

Federal efforts to promote and encourage adoptions from foster care increased in the late 1990s and were legislatively supported by the Adoption and Safe Families Act in 1997. The Fostering Connections to Success and Increasing Adoptions Act of 2008 builds on and expands these initiatives. The focus of federal policy has involved increasing incentives for both states and individuals for foster care adoptions, and decreasing the time that children wait in foster care to be adopted. Nonetheless, with more than 100,000 children waiting to be adopted, tens of thousands of children aging out of foster care each year in rising numbers, and consistent racial/ethnic disproportionality in adoption rates, the need for more successful and expedient ways to find safe, permanent families for all eligible foster children remains great.

About the Authors

Kerry DeVooght is a Senior Research Analyst at Child Trends and the adoption network manager for FosteringConnections.org (www.fosteringconnections.org). Karin Malm is a Senior Research Scientist at Child Trends. Sharon Vandivere is a Research Scientist at Child Trends. Marci McCoy-Roth is Senior Director for Public Policy and Communications at Child Trends. For more information about contacting the authors, please visit www.childtrends.org.

Acknowledgements

The authors gratefully acknowledge Mary Boo, of the North American Council on Adoptable Children, Emilie Stoltzfus, of the Congressional Research Service, Timothy Ross of Action Research Partners, and Megan Fletcher and Hope Cooper of Child Trends, for their review and edits. In addition, we would like to thank Michael Dineen, from the National Data Archive for Child Abuse and Neglect (NDACAN) at Cornell University for providing key data for this brief from the United States Department of Health and Human Services, Adoption and Foster Care Analysis Reporting System (AFCARS).

About FosteringConnections.org

FosteringConnections.org is a gathering place of information, training and tools related to furthering the implementation of the Fostering Connections law. Specifically, FosteringConnections.org aims to connect implementers with the latest information and the best experts and advocates working on these issues. FosteringConnections.org is supported through the generous contributions of the Annie E Casey Foundation, Casey Family Programs, Dave Thomas Foundation on Adoption, Duke Endowment, Eckerd Family Foundation, Jim Casey Youth Opportunities Initiative, Sierra Health Foundation, Stuart Foundation and Walter S. Johnson Foundation. Child Trends has primary responsibility for managing FosteringConnections.org. The information and materials disseminated by FosteringConnections.org have been assembled from a variety of sources, including state and national experts, leading child welfare organizations and state agencies.

References

Barth, R.P. (1993). Fiscal Issues in Special Needs Adoption. *Public Welfare* 41(4):7-11.

The Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services (2006a). The AFCARS Report #10: Interim FY 2003 Estimates as of June 2006. Retrieved December 8, 2008 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report10.htm

Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services (2006b). The AFCARS Report #11: Preliminary FY 2004 Estimates as of June 2006. Retrieved December 8, 2008 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report11.htm

Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2006c). The AFCARS Report #12: Final Estimates for FY 1998 through FY 2002 (12). October 2006. Retrieved April 5, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report12.htm

Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services (2006d). The AFCARS Report #13: Preliminary FY 2005 Estimates as of September 2006. Retrieved December 8, 2008 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report13.htm

Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2008a). The AFCARS Report #14: Preliminary FY 2006 Estimates as of January 2008. Retrieved August 13, 2008 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report14.htm

Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2008b). Adoptions of Children with Public Agency Involvement by State FY 1995-FY 2006. Retrieved May 20, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/adoptchild06.htm.

The Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2009a). The AFCARS Report #15: Preliminary FY 2007 Estimates as of October 2009. Retrieved January 26, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report15.htm

The Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2009b). The AFCARS Report #16: Preliminary FY 2008 Estimates as of October 2009. Retrieved January 26, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report15.htm

The Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2010a). The AFCARS Report #17: Preliminary FY 2009 Estimates as of July 2010. Retrieved January 26, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report15.htm

The Children's Bureau; Administration on Children, Youth, and Families; U.S. Department of Health and Human Services. (2010b). Trends in foster care and adoption: FY2002-FY2009 (based on data submitted by states as of October 9, 2009). Retrieved October 7, 2010 from http://www.acf.hhs.gov/programs/cb/stats_research/afcars/trends.htm

U.S. Congress, House of Representatives, Committee on Ways and Means, *2008 Green Book*, 110th - 111th Congress, at <http://waysandmeans.house.gov/singlepages.aspx?NewsID=10490>

Dalberth, B., Gibbs, D., and Berkman, N. (2005). "Understanding Adoption Subsidies: An Analysis of AFCARS Data." Washington, DC: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

Geen, R. (2009). *The Fostering Connections to Success and Increasing Adoptions Act: Implementation Issues and a Look Ahead at Additional Child Welfare Reforms*, Child Trends Working Paper. Washington, DC: Child Trends.

Geen, R. (2007). *The Adoption Tax Credit: Is It an Effective Approach to Promote Foster Care Adoption?* Child Trends Research Brief. Washington, DC: Child Trends.

Geen, R. and Malm, K (2005). *Freddie Mac Foundation's Wednesday's Child Program Evaluation: Early Findings*. Paper Presented at the NACAC National Conference, Pittsburgh, PA.

Hansen, M., & Hansen, B. (2006). *The Economics of Adoption of Children from Foster Care*. *Child Welfare Journal*, 85(3), 559-583.

Jones, J. (2008). *Adoption experiences of women and men and demand for children to adopt by women ages 18-44 in the United States, 2002*. National Center for Health Statistics. *Vital Health Stat* 23(27).

Maza, P. (2009). *A new look at the role of ASFA and children's ages in adoption*. *The Roundtable*, 23(1).

Maza, P. (2000). *Using Administrative Data to Reward Agency Performance: The Case of the Federal Adoption Incentive Program*. *Child Welfare*, 79 (5), 444-454.

McCoy-Roth, M., Freundlich, M., and Ross, T. (2010). *Number of youth aging out of foster care continues to rise; increasing 64% since 1999*. *Fostering Connections Resource Center*, Analysis No. 1.

North American Council on Adoptable Children (NACAC) (2007). *The Adoption Tax Credit: An Ethical Dilemma*, Adoptalk.

Sedlak, A.J. (1991). *Study of adoption assistance impact and outcomes: Phase II report*. Submitted to the Administration for Children, Youth, and Families, DHHS, Contract No. 105-89-1607. Rockville, MD: Westat.

U.S. Department of Health and Human Services. (1997). *Adoption 2002: A response to the presidential executive memorandum on adoption issued December 14, 1996*. Washington, DC: Author.

Vandivere, S., Malm, K., and Radcliff, L. (2009). *Adoption USA: A Chartbook Based on the 2007 National Survey of Adoptive Parents*. Washington, D.C.: The U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Available online at: <http://aspe.hhs.gov/hsp/09/NSAP/chartbook/index.cfm>

Wilson, J.B., Katz, J., and Geen, R. (2005). Listening to Parents: Overcoming Barriers to the Adoption of Children from Foster Care. KSG Faculty Research Working Paper Series RWP05-005, February 2005.